



BOARD of DIRECTORS

James S. Carter
Chair

Michael W. Nichols
Immediate Past Chair

Roger E. Goldbeck
Senior Vice Chair

Timothy B. Hodges
Secretary

Linda Y. Cote

Brian Robinson

Jessica L. Ritter, Esq.

CONNECTICUT HOUSING INVESTMENT FUND

121 Tremont Street Hartford, CT 06105-2641 • (860) 233-5165 • (800) 992-3665 • Fax: (860) 233-3920 • www.chif.org

Housing Committee Public Hearing
3/1/2016
Testimony on HB 5398

I am Calvin Vinal, President & CEO of the CT Housing Investment Fund, commonly known as CHIF and located at 121 Tremont Street in Hartford CT. Since the 1960s, CHIF has provided CT residents over \$180 million to nearly 30,000 households for housing creation, preservation and other improvements. CHIF partners with DOH, CHFA, Eversource, United Illuminating, the CT Green Bank, the Energy Efficiency Board, DEEP, and over a dozen banks and national and federal funding partners to develop and deliver financial and technical resources that address affordable housing and clean energy needs in CT. I would note CHIF is in the process of merging with two other CT CDFIs to create market and operational efficiencies and increase capacity to attract more non-state resources in order to address more low- and moderate-income need across CT.

I speak today to request state funding for two key areas of low-income housing need – aging in place for income-eligible homeowners and health safety improvements in affordable rental housing. I know this year's session is pivotal in CT's economic future as there are many competing priorities from which choices must be made regarding allocating the state's precious resources, with tremendous pressure on reducing expenditures. We believe the requests we are making are responsible, preventative investments that will reduce future state expenditures, especially in health care, assist in meeting the state's clean energy goals, and contribute to stable communities. I would also note the request is focused on leveraging the state's resources by using them to attract additional other funding resources, and that the state's funds will be recycled to the degree they can.

William F. LaPorte, Jr.
Director Emeritus

William M. Russell
Director Emeritus

Calvin B. Vinal
President & CEO

As for the requests - Aging in Place means successfully remaining in your home for as long as possible after reaching age 65. Enabling people to successfully stay in their homes contributes to community stability, improves mental and physical well-being, lowers medical needs and health costs, and helps households maximize the impact their life savings.

Between 2010 and 2050, the 65-plus age demographic will double from 40.2 million to a projected 88.5 million. One out of three people now reaching the age of 60 have a living parent or close relative who is 80-years old or more; this is the fastest growing national demographic. Nationally, the homeownership rate for owners 65-plus is over 80 percent, higher than the national average. Surveys across the country show that more than 85 percent of older adults prefer to remain in their homes as they age.

A similar percentage cannot take afford private-care assisted living facilities given the high costs. Private-care assisted living can cost \$5,000-\$10,000 per month, which most low- and moderate-income homeowners cannot afford. To enter into lower cost state-supported facilities, residents are required to deplete their life savings to be eligible, and then rely on federal and state funding for their care. The Medicaid and Medicare systems cannot support institutional care for all adults who will reach later stages of life in the next 25 to 30 years.

Aging in place reduces these external cost burdens and extends the ability of the homeowner to contribute to their costs. Remaining in the home is less expensive than moving to an assisted-living facility, in part because much of the needed assistance is provided by family caregivers. According to a MetLife study, family members provide approximately 80 percent of all long-term care services in the U.S.

Making targeted home improvements reduces at-home injuries and emergency medical care costs, which contributes to better physical and mental well-being, and costs far less than state-funded assisted living facilities.

As for Health Safety, PA 11-42 was passed in 2001 and has never been funded. It is designed to address remediating physical needs, building code and health safety, in small multifamily properties (20 units or less) in CT's distressed communities, with a priority for owner-occupied 2-4 unit properties. These properties are mostly older, urban buildings that provide rental housing in lower-income communities. Historic disinvestment in these communities has been driven by lower rents and increased operating expenses, with owners forgoing critical capital improvements needed to keep properties compliant with changing building codes and health safety requirements, most often because they cannot obtain financing to make required improvements. Such improvements will help decrease external costs, such as health and medical related needs and reduce risk of property loss and personal injury, making the living environments safer and healthier for tenants.

These improvements also will address/cure conditions of lead, mold, asbestos, knob-and-tube wiring and gas leaks that prohibit undertaking clean energy assessments and/or certain related improvements. With the Home Energy (HES) Residential Financing program reporting 20-30% of energy assessments or improvements cannot be completed because of these physical conditions, this is a significant impediment to meeting the state's clean energy goals, and with helping lower-income rental households take advantage of and benefit from clean energy improvements. They, like all other CT electric customers, contribute through their rent to the CT Energy Efficiency Fund (CEEF). CHIF currently provides several clean energy lending products statewide in partnership with the utilities/CEEF, the CT Green Bank and DOH, and would be an ideal resource to direct maximal use of these funds.